

Miami Beach Police & Fire DROP Plan
September 30, 2013 and June 30, 2013 Review
ING DROP Mutual Funds

1. ING T. Rowe Price Capital Appreciation (ITCSX) [0.90%]

September 30, 2013

MorningStar Rating: ★★★★★ (out of 773 funds over 3 Years)

Comparative Index: MorningStar Moderate Target Risk

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 4.42% | 17.05% | 13.88% | 10.73% |
| Policy | 4.49% | 10.71% | 9.34% | 8.30% |
| Differences | -0.07% | 6.34% | 4.54% | 2.43% |
| Universe | n/a | 6 | 2 | 3 |

June 30, 2013

MorningStar Rating: ★★★★★ (out of 789 funds over 3 Years)

Comparative Index: MorningStar Moderate Target Risk

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 2.41% | 17.99% | 14.69% | 8.18% |
| Policy | -0.54% | 11.10% | 10.82% | 5.64% |
| Differences | 2.95% | 6.89% | 3.87% | 2.54% |
| Universe | n/a | 5 | 4 | 2 |

Received an excellent rating from Morningstar. The investment seeks a high total investment return, consistent with the preservation of capital and with prudent investment risk. The fund normally pursues an active asset allocation strategy whereby investments are allocated among equities, debts, and money market instruments. It invests primarily in the common stocks of established U.S. companies the sub-adviser believes to have above-average potential for capital growth. Common stocks typically comprise at least half of the Portfolio. The remaining assets are invested in other securities, including convertibles, warrants, preferred stocks, corporate and government debt, bank loans futures and options.

No change recommended.

www.ingfunds.com

2. American Funds American Mutual (RMFEX) [0.66%]

September 30, 2013

MorningStar Rating: ★★★★★ (out of 608 funds over 10 Years)

Comparative Index: Large Cap. Value i.e. Russell 1000 Value

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 4.68% | 18.61% | 14.22% | 9.93% |
| Policy | 5.25% | 19.34% | 16.27% | 10.02% |
| Differences | -0.57% | -0.73% | -2.05% | -0.09% |
| Universe | n/a | 75 | 62 | 22 |

June 30, 2013

MorningStar Rating: ★★★★★ (out of 935 funds over 5 Years)

Comparative Index: Large Cap. Value i.e. Russell 1000 Value

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 1.70% | 17.93% | 16.20% | 7.39% |
| Policy | 3.20% | 25.32% | 18.51% | 6.67% |
| Differences | -1.50% | -7.39% | -2.31% | 0.72% |
| Universe | n/a | 88 | 67 | 25 |

Received a good rating from Morningstar. The investment seeks current income, growth of capital and conservation of principal. The fund invests primarily in common stocks of companies that are likely to participate in the growth of the American economy and whose dividends appear to be sustainable. It invests primarily in securities of issuers domiciled in the United States and Canada. The fund may also invest in bonds and other debt securities, including those issued by the U.S. government and by federal agencies and instrumentalities. **No change recommended.**

www.americanfunds.com

3. MFS Research A (MFRFX) [0.91%]

September 30, 2013

MorningStar Rating:  (out of 1484 funds over 3 Years)

Comparative Index: Large Cap. Core, i.e. S&P500

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 5.50% | 20.36% | 16.13% | 10.17% |
| Policy | 5.25% | 19.34% | 16.27% | 10.02% |
| Differences | 0.25% | 1.02% | -0.14% | 0.15% |
| Universe | n/a | 47 | 35 | 54 |

June 30, 2013

MorningStar Rating:  (out of 1488 funds over 3 Years)

Comparative Index: Large Cap. Core, i.e. S&P500

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 3.20% | 22.48% | 18.41% | 6.96% |
| Policy | 2.91% | 20.60% | 18.45% | 7.01% |
| Differences | 0.29% | 1.88% | -0.04% | -0.05% |
| Universe | n/a | 11 | 19 | 28 |

Average rating from Morningstar. MFS Research shows off the firm's deep resources. By keeping its sector-allocations aligned with those of the S&P 500 Index, this fund shines a light on one of MFS' strengths: the stock-picking abilities of its analysts. The firm divides its 24 U.S. stock analysts into eight sector-based teams, each led by an experienced sector leader. Named portfolio manager Joseph MacDougall adds an extra layer of oversight, keeping a tab on risk factors and managing cash flows to preserve the portfolio's sector-neutral guardrails. The fund's relatively tight alignment with its boggy means selective stock-picking and position sizing will largely drive this fund's results. Indeed, the majority of the fund's roughly 130 holdings are also held by the index, albeit several index heavyweights such as Microsoft MSFT and General Electric GE are noticeably absent. The analysts tend to gravitate toward stocks with relatively strong growth characteristics, although they also keep an eye on a company's balance sheet; this leads to an overall portfolio with relatively low debt/capital ratios and slightly lower trailing margins compared with its boggy. In April 2013 Morningstar transitioned the fund to the large-growth category from the large-blend group, a reflection of the portfolio's generally growth-leaning features during recent years. Focusing on stock selection has worked well thus far. Since the fund adopted its benchmark-neutral strategy in August 2003 through July 2013, the fund's 8.6% annualized return has surpassed the 7.6% of its benchmark, as well as the 6.5% and 6.9% of the average large-growth and large-blend peer, respectively. The fund hasn't had to take on much more risk than the benchmark, as measured by its only slightly higher standard deviation, and its risk-adjusted results top those of the index and the typical large-growth and large-value funds. The fund isn't bulletproof, as evidenced by its stumble within the health-care sector that contributed to its 0.7% loss during 2011 (the benchmark was up 2.1% for the calendar year). Still, over the long haul, the experienced analyst team has shown it can deliver.

No change recommended.

www.mfs.com

4. ING Partners T. Rowe Price Growth Equity (ITGIX) [0.74%]

September 30, 2013

MorningStar Rating:  (out of 1484 funds over 3 Years)

Comparative Index: Large Cap. Growth, i.e. R1000G

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 11.78% | 23.07% | 17.64% | 13.31% |
| Policy | 8.11% | 19.28% | 16.94% | 12.07% |
| Differences | 3.67% | 3.79% | 0.70% | 1.24% |
| Universe | n/a | 25 | 13 | 15 |

June 30, 2013

MorningStar Rating:  (out of 1488 funds over 3 Years)

Comparative Index: Large Cap. Growth, i.e. R1000G

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 3.16% | 16.68% | 18.42% | 6.96% |
| Policy | 2.06% | 17.07% | 18.68% | 7.47% |
| Differences | 1.10% | -0.39% | -0.26% | -0.51% |
| Universe | n/a | 54 | 18 | 28 |

Good rating from Morningstar. Rob Bartolo is a portfolio manager in the U.S. Equity Division of T. Rowe Price and has been managing assets for the firm since 2005. The investment seeks long-term capital growth, and secondarily, increasing dividend income. The fund normally invests at least 80% of its net assets (plus borrowings for investment purposes) in common stocks. It concentrates its investments in growth companies. The fund may also purchase, to a limited extent, foreign stocks, hybrid securities, futures, and forward foreign currency exchange contracts, in keeping with its objectives. Its investments in foreign securities are limited to 30% of the portfolio's assets. **No change recommended.**

www.ingfunds.com

5. ING VP Index Plus MidCap I (IPMIX) [0.50%]

September 30, 2013

MorningStar Rating:  (out of 302 funds over 5 Years)

Comparative Index: Broad MidCap i.e. S&P400

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 8.10% | 27.13% | 17.40% | 11.74% |
| Policy | 7.70% | 27.91% | 17.53% | 12.97% |
| Differences | 0.40% | -0.78% | -0.13% | -1.23% |
| Universe | n/a | 51 | 31 | 47 |

June 30, 2013

MorningStar Rating:  (out of 341 funds over 3 Years)

Comparative Index: Broad MidCap i.e. S&P400

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 1.53% | 24.20% | 18.72% | 7.25% |
| Policy | 2.21% | 25.41% | 19.53% | 8.28% |
| Differences | -0.68% | -1.21% | -0.81% | -1.03% |
| Universe | n/a | 62 | 40 | 48 |

Average rating from Morningstar. This investment seeks to outperform the total return performance of the S&P400 while maintaining a market level of risk. Chris Corapi April, 2012 and Vincent Costa are the Portfolio Managers. This fund invests at least 80% of net assets in securities of mid-capitalization companies included in the index. It may invest in derivative instruments. In managing the portfolio, the Sub-Adviser attempts to achieve the Portfolio's objective by overweighting those stocks in the index that the Sub-Adviser believes will outperform the index, and underweighting (or avoiding altogether) those stocks in the index that the Sub-Adviser believes will underperform the index. **No change recommended.**

www.ingfunds.com

6. ING American Century Small-Mid Cap Value (IASSX) [1.42%]

September 30, 2013

MorningStar Rating: ★★★★★ (out of 303 funds over 5 Years)

Comparative Index: Small Blend i.e. Russell 2000 Value

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 5.38% | 25.27% | 15.32% | 12.42% |
| Policy | 5.90% | 27.77% | 17.27% | 11.86% |
| Differences | -0.52% | -2.50% | -1.95% | 0.56% |
| Universe | n/a | 78 | 63 | 34 |

June 30, 2013

MorningStar Rating: ★★★★★ (out of 176 funds over 10 Years)

Comparative Index: Small Blend i.e. Russell 2000 Value

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 2.83% | 24.66% | 16.77% | 11.47% |
| Policy | 1.65% | 27.65% | 19.53% | 8.87% |
| Differences | 1.18% | -2.99% | -2.76% | 2.60% |
| Universe | n/a | 73 | 70 | 11 |

Good rating from Morningstar. This fund seeks long-term capital growth, income is a secondary objective. This portfolio normally invests at least 80% of net assets in equity securities of small-mid-capitalization companies. The sub-adviser defines small-capitalization companies to include those with a market capitalization no larger than that of the largest company in the SP SmallCap 600 Index or the Russell 2000 Index and mid-capitalization companies to include those market capitalization at the time of purchase is within the capitalization range of the Russell 3000 Index, excluding the largest 100 such companies.

No change recommended.

www.ingfunds.com

7. Wanger Small Cap Growth (WUSAX) [0.94%]

September 30, 2013

MorningStar Rating: ★★★★★ (out of 376 funds over 10 Years)

Comparative Index: Small Growth i.e. Russell 2000 Growth

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 11.36% | 28.83% | 19.01% | 12.91% |
| Policy | 12.80% | 33.07% | 19.96% | 13.17% |
| Differences | -1.44% | -4.24% | -0.95% | -0.26% |
| Universe | n/a | n/a | n/a | n/a |

June 30, 2013

MorningStar Rating: (out of 376 funds over 10 Years)

Comparative Index: Small Growth i.e. Russell 2000 Growth

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 0.92% | 22.03% | 19.56% | 8.41% |
| Policy | 3.74% | 23.67% | 19.97% | 8.89% |
| Differences | -2.82% | -1.64% | -0.41% | -0.48% |
| Universe | n/a | n/a | n/a | n/a |

Good rating from Morningstar. The investment seeks long-term capital appreciation. The fund invests at least 80% of its net assets (plus any borrowings for investment purposes) in U.S. companies. It invests a majority of its net assets in the common stock of small- and mid-sized companies with market capitalizations under \$5 billion at the time of investment. The fund may invest in other companies with market capitalizations above \$5 billion, provided that immediately after that investment a majority of its net assets would be invested in companies with market capitalizations under \$5 billion.

No change recommended.

www.columbiafunds.com

8. ING International Value Portfolio I (IIVIX) [0.96%]

September 30, 2013

MorningStar Rating: ★★ (out of 263 funds over 5 Years)

Comparative Index: International Value

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 12.09% | 23.46% | 6.67% | 3.51% |
| Policy | 12.63% | 24.27% | 7.99% | 5.86% |
| Differences | -0.54% | -0.81% | -1.32% | -2.35% |
| Universe | n/a | 38 | 62 | 82 |

June 30, 2013

MorningStar Rating: ★★ (out of 320 funds over 3 Years)

Comparative Index: International Value

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 0.53% | 16.86% | 7.33% | -2.68% |
| Policy | -0.74% | 18.56% | 9.17% | -0.95% |
| Differences | 1.27% | -1.70% | -1.84% | -1.73% |
| Universe | n/a | 51 | 79 | 82 |

Poor rating from Morningstar. The investment seeks long-term capital appreciation. The fund normally invests at least 65% of net assets in equity securities of issuers located in a number of different countries outside of the U.S. It invests primarily in companies with a large market capitalization, but may also invest in mid- and small-sized companies. The fund may invest up to 35% of assets in securities of U.S. issuers, including investment grade government and corporate debt securities. **Still on "Watch" but this quarter was very good.**

www.ingfunds.com

9. Fidelity Variable Insurance Product Investment Grade Bond (FBNDX) [0.45%]

September 30, 2013

MorningStar Rating:  (out of 876 funds over 5 Years)

Comparative Index: Intermediate Term Bond i.e. Barclays Capital Aggregate

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 0.79% | -1.34% | 3.47% | 6.59% |
| Policy | 0.57% | -1.68% | 2.86% | 5.41% |
| Differences | 0.22% | 0.34% | 0.61% | 1.18% |
| Universe | n/a | 66 | 32 | 48 |

June 30, 2013

MorningStar Rating:  (out of 873 funds over 5 Years)

Comparative Index: Intermediate Term Bond i.e. Barclays Capital Aggregate

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | -2.53% | -0.12% | 4.21% | 5.96% |
| Policy | -2.33% | -0.69% | 3.51% | 5.19% |
| Differences | -0.20% | 0.57% | 0.70% | 0.77% |
| Universe | n/a | 61 | 38 | 47 |

Received an average rating from Morningstar. Fidelity Investment Grade Bond doesn't offer much in the way of fireworks. Like other Fidelity bond funds, this offering has a well-defined niche. Here the focus is on the investment-grade sectors that make up the Barclays US Aggregate Bond Index. With roughly 60% of assets recently in a mix of agency mortgages, Treasuries, and a smattering of other AAA rated fare, this is a high-quality portfolio. And, while many competitors--including sibling Fidelity Total Bond FTBFX--hold meaningful stakes in emerging-markets or junk bonds, this fund typically treads lightly in these sectors. Manager Jeff Moore has shown skill in identifying pockets of relative value within this universe. In the after math of the credit crisis, for example, his decision to boost the fund's corporate stake to more than a third of assets paid off as that sector came roaring back. But by mid-2011, Moore had again turned cautious on credit risk, bringing the fund's corporate stake down to less than a fourth of assets, while boosting exposure to the 10-year Treasury. That was enough to help the portfolio sidestep the worst of that year's rocky third quarter, and the fund was one of just a handful of its peers to finish the year ahead of the benchmark. The fund's relatively constrained approach can hold it back when riskier assets outperform: In 2012, for example, despite some positives including good security selection in its mortgage stake, the fund's 6.2% return landed just short of the category midpoint. It's also not the fund for investors with a strong negative view on interest rates. Like others on the Fidelity bond team, Moore argues that it's difficult to predict rate moves and keeps the fund's duration close to that of its boggy. So it's not surprising that the fund's 4.0% loss since rates started their upward march in May through late August 2013 is just a shade worse than that of the index. This fund's seasoned investment team, well-defined approach, and reasonable expenses make it a solid choice for investors in search of a high-quality anchor for their fixed-income portfolios. **No change recommended.**

advisor.fidelity.com

10. PIMCO VIT Real Return Portfolio - Administrative Class - 833 (PARRX) [0.73%]

September 30, 2013

MorningStar Rating: ★★★★★ (out of 182 funds over 3 Years)

Comparative Index: Barclays Capital U.S. Treasury TIPS

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 1.05% | -6.52% | 3.65% | 6.29% |
| Policy | 0.70% | -6.10% | 4.02% | 5.31% |
| Differences | 0.35% | -0.42% | -0.37% | 0.98% |
| Universe | n/a | 58 | 15 | 4 |

June 30, 2013

MorningStar Rating: ★★★★★ (out of 182 funds over 3 Years)

Comparative Index: Barclays Capital U.S. Treasury TIPS

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | -8.44% | -5.06% | 4.55% | 4.90% |
| Policy | -7.05% | -4.78% | 4.63% | 4.41% |
| Differences | -1.39% | -0.28% | -0.08% | 0.49% |
| Universe | n/a | 59 | 11 | 3 |

Good rating from Morningstar. The investment seeks maximum real return, consistent with preservation of capital and prudent investment management. The fund normally invests at least 80% of its net assets in inflation-indexed bonds of varying maturities issued by the U.S. and non-U.S. governments, their agencies or instrumentalities, and corporations, which may be represented by forwards or derivatives such as options, futures contracts or swap agreements. It invests primarily in investment grade securities, but may invest up to 10% of its real assets in high yield securities ("junk bonds") rated B or higher. Recent missteps at PIMCO Real Return are no reason for worry. It's been a challenging period for inflation-protected bond funds with the average fund in the category down 6.9% for the year to date through July 11. The bulk of those losses came in the months of May and June as real interest rates spiked across the yield curve on the heels of the Fed's announcement that it may start tapering quantitative easing earlier than anticipated. Lead manager Mihir Worah also noted that technical factors in the market further depressed prices, including large-scale selling of Treasury Inflation-Protected Securities by risk-parity funds as volatility ticked up. But a few missteps by Worah and his team have further magnified those losses, and the fund's 8.3% drop through July 11 lags its Barclays US TIPS Index by 0.7% and lands behind more than 80% of category peers'. For instance, Worah can invest up to 20% in out-of index bonds, and as of May 31 that stake stood at roughly 10% of assets. The largest of those bets is an allocation to emerging-markets debt (7%), including a sizable allocation to Brazil, one of the few fixed-income sectors hit harder than TIPS in 2013. Worah added to the position in Brazil and increased the fund's duration-weighted exposure to TIPS in May in anticipation of a rebound, which hurt as the sectors continued to struggle. Worah has maintained those positions. Still, things could have been worse if it weren't for adroit maturity shifts out of the hardest-hit five-year maturity TIPS and timely sales of inflation-linked bonds from the United Kingdom, Italy, and Mexico, all of which notched solid gains in the first few months of the year. Indeed, modest missteps aside, Worah has proved an ability to deliver over the long term. Since he became lead manager in late 2007, the fund's 5.6% annualized gain through June 30, 2013, tops its average inflation-protected bond peer by 1.6 percentage points. All told, this fund remains a top choice in the category. The fund is non-diversified. **No change recommended.**

11. ING J.P. Morgan Emerging Markets (IJPIX) [1.51%]

September 30, 2013

MorningStar Rating: ★★☆☆ (out of 382 funds over 3 Years)

Comparative Index: MSCI EM NR USD

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 2.53% | 0.41% | -1.31% | 6.60% |
| Policy | 5.77% | 0.98% | -0.27% | 7.22% |
| Differences | -3.24% | -0.57% | -1.04% | -0.62% |
| Universe | n/a | 67 | 68 | 42 |

June 30, 2013

MorningStar Rating: ★★☆☆ (out of 366 funds over 3 Years)

Comparative Index: MSCI EM NR USD

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | -7.50% | 3.18% | 4.26% | 0.63% |
| Policy | -8.08% | 2.87% | 3.38% | -0.43% |
| Differences | 0.58% | 0.31% | 0.88% | 1.06% |
| Universe | n/a | 50 | 46 | 22 |

Average rating from Morningstar. Investors seeking exposure to blue chips in the developing world still have ample reason to consider ING JPMorgan Emerging Markets Equity. Austin Forey has a more exacting set of stock-selection standards and a longer investment horizon than most emerging-markets fund managers. He insists that all of his picks have strong and sustainable earnings prospects, returns on invested capital, and other enduring attributes, so this fund has much better quality metrics than most of its peer. And he is quite patient--and willing to ride out short-term issues--so the turnover rate remains low here and many current holdings have been in the portfolio for years. (Ambev ABV and several other holdings have been in the portfolio since Forey took charge in early 2005, or shortly after.) Because high-quality growers are more common in certain areas and Forey is comfortable with concentration, this fund continues to stand out from its peers in several key respects. It is relatively heavy on steadier and less-capital intensive sectors like consumer staples and relatively light on more cyclical and capital-intensive sectors like energy. It continues to have more exposure to several of the developing world's larger markets and less exposure to several of the region's smaller markets than most of its rivals. Overall, this fund has one of the largest average market caps in the category. Forey has executed this blue-chip growth discipline well over his tenure. Although this fund has lagged in this year's tough climate, partly because the developing world's larger markets and stocks have struggled more than their smaller counterparts, it held up relatively well in the 2011 sell-off and the late 2007 to early 2009 meltdown. And it has delivered competitive results in rallies under Forey. Thus, this fund has earned attractive risk-adjusted returns on his watch. Forey is more seasoned than many of his rivals and has a strong support team. That, along with its other attributes, makes this fund one of the better blue-chip emerging-markets vehicles around. **No change recommended.**

12. ING Global Resources (IGRSX) [0.90%]

September 30, 2013

MorningStar Rating:  (out of 125 funds over 3 Years)

Comparative Index: S&P Natural Resources

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | 10.04% | 5.21% | 5.33% | 3.66% |
| Policy | 8.64% | 7.25% | 8.32% | 4.85% |
| Differences | 1.40% | -2.04% | -2.99% | -1.19% |
| Universe | n/a | 48 | 40 | 48 |

June 30, 2013

MorningStar Rating:  (out of 126 funds over 3 Years)

Comparative Index: S&P Natural Resources

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | -5.13% | 6.30% | 6.54% | -5.29% |
| Policy | -4.95% | 10.63% | 9.64% | -2.19% |
| Differences | -0.18% | -4.33% | -3.10% | -3.10% |
| Universe | n/a | 37 | 43 | 31 |

Average rating from Morningstar. The investment seeks long-term capital appreciation. The fund normally invests at least 80% of its net assets (plus borrowings for investment purposes) in the equity securities of companies in the natural resources industries located in a number of different countries, one of which may be the United States. It also may invest in securities issued by companies that are not in natural resources industries, investment-grade corporate debt, and repurchase agreements. The fund may invest without limit in securities of foreign issuers, including emerging markets. It is non-diversified.

No change recommended.

www.ingfunds.com

13. ING Clarion Real Estate (IVRSX) [1.10%]

September 30, 2013

MorningStar Rating: ★★★★★ (out of 131 funds over 10 Years)

Comparative Index: DJ US Select REIT TR US

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | -3.13% | 3.79% | 11.50% | 6.82% |
| Policy | -3.15% | 4.70% | 12.09% | 5.30% |
| Differences | 0.02% | -0.91% | -0.59% | 1.52% |
| Universe | n/a | 62 | 37 | 17 |

June 30, 2013

MorningStar Rating: ★★★★★ (out of 131 funds over 10 Years)

Comparative Index: DJ US Select REIT TR US

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|-------------|----------------|---------------|---------------|---------------|
| Fund | -1.49% | 6.70% | 17.35% | 8.17% |
| Policy | -1.29% | 7.69% | 18.08% | 6.97% |
| Differences | -0.20% | -0.99% | -0.73% | 1.20% |
| Universe | n/a | 65 | 32 | 18 |

Good rating from Morningstar. The investment seeks capital appreciation and current income. The fund invests at least 80% of net assets (plus borrowings for investment purposes) in common and preferred stocks of U.S. real estate investment trusts and real estate companies. This portion of the portfolio will have investments located in a number of different countries located throughout the world, including the United States. It may invest in companies of any market capitalization; however, it will generally not invest in companies with market capitalization of less than \$100 million at the time of purchase. The fund is non-diversified. **No change recommended.**

www.ingfunds.com

14. ING Fixed Account 457/401

September 30, 2013

MorningStar Rating: N/A

Comparative Index: Available Through an annuity contract or group funding agreement issued by ING Life Insurance and Annuity Company.

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|------|----------------|---------------|---------------|---------------|
| Fund | 0.75% | 3.00% | 3.00% | 3.02% |

June 30, 2013

MorningStar Rating: N/A

Comparative Index: Available Through an annuity contract or group funding agreement issued by ING Life Insurance and Annuity Company.

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|------|----------------|---------------|---------------|---------------|
| Fund | 0.74% | 3.00% | 3.00% | 3.04% |

Stability of principal is the primary objective of this investment option. This fixed account guarantees minimum rates of interest and may credit interest that exceeds the minimum guaranteed rate. The account guarantees principal and a minimum guaranteed interest rate for the life of the contract, as well as featuring two declared interest rates: a current rate, determined at least monthly, and a guaranteed minimum floor rate declared for a defined period- currently one calendar year. The guaranteed minimum floor rate may change after the defined period, but it will never be lower than the minimum guaranteed interest rate.

15. ING VP Money Market Portfolio

September 30, 2013

MorningStar Rating:

Comparative Index: Money Fund Report Averages

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|------|----------------|---------------|---------------|---------------|
| Fund | 0.00% | 0.02% | 0.03% | 0.22% |

June 30, 2013

MorningStar Rating:

Comparative Index: Money Fund Report Averages

| | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> |
|------|----------------|---------------|---------------|---------------|
| Fund | 0.02% | 0.03% | 0.03% | 0.33% |

Invests in a diversified portfolio of high quality, US dollar denominated short-term debt securities that are determined to present minimal credit risks.

Fees (expense ratios) are below.

| <u>Fund Name (Ticker Symbol)</u> | <u>Expense Ratio</u> |
|--|-----------------------------|
| ING T. Rowe Price Capital Appreciation (ITCSX) | 0.90% |
| American Funds American Mutual (RMFEX) | 0.66% |
| MFS Research A (MFRFX) | 0.91% |
| ING Partners T. Rowe Price Growth Equity (ITGIX) | 0.74% |
| ING VP Index Plus Midcap I (IPMIX) | 0.50% |
| ING American Century Small-Mid Cap (IASSX) | 1.42% |
| Wanger Small Cap Growth (WUSAX) | 0.94% |
| ING International Value Port I (IIVIX) | 0.96% |
| Fidelity Variable Ins. Product Inv. Grade Bond | 0.45% |
| PIMCO Real Return Administrative Class | 0.73% |
| ING J.P. Morgan Emerging Markets (IJPIX) | 1.51% |
| ING Global Resources (IGRSX) | 0.90% |
| ING Clarion Real Estate (IVRSX) | 1.10% |
| ING Fixed Account 457/401 | |
| ING VP Money Market Portfolio | |